

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Hoonah****Project Title:****Project Type:** New Construction and Land Acquisition

Hoonah - Phase 3, Hoonah Marine Industrial Center

State Funding Requested: \$2,760,000**House District: 5 / C**

Future Funding May Be Requested

Brief Project Description:

Construction of Phase 3 of the Hoonah Marine Industrial Center to include utilities, washdown pad, support building and infrastructure improvements.

Funding Plan:**Total Cost of Project: \$2,760,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$3,000,000	2006				
State Funds	\$3,000,000	2007 & 08				
Denali Commission	\$300,000	2008				
Total	\$6,300,000					

Detailed Project Description and Justification:**PROJECT DESCRIPTION**

The City of Hoonah is seeking \$2,760,000 for Phase 3 of the Hoonah Marine Industrial Center(HMIC) which consists of a boat yard maintenance and repair facility which includes a utility building with office space, work pad with water treatment facility to include water treatment and back wash features, compressed air and boiler system, security fencing and lighting. Phase 3 will follow the completed Phases 1 and 2: 95,000 cubic yards of tideland fill, and boat haul out pier and acquisition of a 220 ton travel lift.

PROJECT JUSTIFICATION

Hoonah has traditionally been dependent upon both the timber and fishing industries for most of the community's jobs. With the decline in the timber industry, there is an increasing need for infrastructure supporting fishing, tourism and other industries. This project will support and enhance fishing and marine related businesses. Hoonah's close proximity to Glacier Bay National Park and Point Adolphus make Hoonah a desirable tourist destination. Twenty fishing and whale watching charter vessels make Hoonah their primary port. We had 80 cruise ships stop in Hoonah at Icy Strait Point in 2007, and are expecting similar numbers in 2010. This facility will target boats located in northern Southeast, specifically the communities of Angoon (pop. 482), Elfin Cove (pop. 25), Gustavus (pop. 441), Haines (pop. 1,492), Hoonah (pop. 852), Juneau (pop. 30,650), Pelican (pop. 106), Skagway (pop. 854) and Tenakee Springs (pop. 109). With the aforementioned communities a total population of 35,712 residents or 49% of the resident population of Southeast Alaska will benefit from this project. Because of the size of the travel lift, we can also handle boats that are unable to be serviced in Sitka or Wrangell such as Four Seasons Marine Catamarans. There are over 140 commercial fishing and charter boats located in Northern Southeast that cannot be hauled out in the region and are potential customers. While the City of Hoonah is

anticipating revenue generation from the lift and potential sales tax from associated work. Our primary goal is to further develop our port facilities to encourage the fishing fleet to consider Hoonah a primary port to operate from for their fishing ventures. The City is also anticipating the development of jobs in the Marine maintenance and repair sector. This project will also benefit the local economic businesses relating to fuel, lodging and groceries.

Project Timeline:

Construction Bids and Award - May 2010

Completion of On site construction - November 2010

Start up operation - December 2010

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Hoonah,

Grant Recipient Contact Information:

Name: Mayor Windy Skaflestad

Address: PO Box 313

Hoonah, AK 99829

Phone Number: (907)945-3663

Email: mduvall@cityofhoonah.org

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No

Project Overview

Located in Port Fredrick, the Hoonah Marine Industrial Center is a partially completed, modern boat haul out facility. Once completed, the facility will accommodate up to 220-ton vessels by allowing for both vessel storage and repair. It will also benefit and promote local businesses. Designed to support Southeast Alaska's commercial fishing fleet, transient vessels, and the City of Hoonah - two (2) phases of the project have now been completed. The first phase of the improvements included development of a three acre waterfront staging and service area with quarry development for rock material sources directly across the Gartina Highway. Phase two included a 220-ton boat haulout pier and the Travelift equipment.

The currently unfunded Phase III includes a concrete wash down facility, an office, restrooms, surface course, security fencing, area lighting and utilities. Rock surfacing will allow for safe operation of the Marine Travelift at a smooth grade. A smooth grade is necessary to prevent loss of traction and tipping at any one wheel as the Marine Travelift is a self-propelled boat sling lift. The overall dimensions of the Marine Travelift measure 37' high x 44' wide x 40' long (see photos). The facility will be protected by security fencing and accessed by manual swing gates.

Utility improvements will include the distribution of power to electrical pedestals for utilization by vessel operators. The site will be illuminated by high-mast lighting. Water will be distributed to various locations across the site. All utility services will be located at the perimeter of the site to maximize available space for the Marine Travelift maneuvers.

Wastewater

One of the most important aspects of the boat haul out facility is the ability to wash the hull of a boat once it is lifted from the water. A concrete wash down facility is necessary to treat the wash water prior to discharge into the City of Hoonah's sanitary sewer system. Wash water cannot be drained back into the ocean. The treatment of the wash water is a complicated process called electrocoagulation. The electrocoagulation consists of separating the heavy metal contaminants from the wash water before it can be discharged into the sewer system. The system will also require a small support building to house the various apparatuses.

Wash water from a designated shipyard wash-down station is defined as wastewater and will require treatment prior to discharge according to Alaska Department of Environmental Conservation (ADEC) 18 ACC 70. The wash water contains metals and will be discharged to the sewer as the City has an existing mixing zone permit in place to allow the discharge. However, if the metal content measures above the ADEC 18 ACC 70 regulations outside the permitted mixing zone, the City could potentially be fined \$10,000 to \$25,000 a day, therefore, the City has elected to treat the wash water prior to discharge into the City sanitary sewer system.



Stormwater

The rainwater runoff from a shipyard is defined as industrial stormwater and is subject to Environmental Protection Agency (EPA)'s General Construction Permit prior to construction and the Multi-Sector Industrial Stormwater Permit. The permit does not allow water quality standards to be exceeded. Also, it requires the facility operator to develop and implement a Storm Water Pollution Prevention Plan (SWPPP) that identifies Best Management Practices (BMP)'s and other requirements. The City is currently developing the Multi-Sector General Permit SWPPP to operate the boat haul out. Phase III improvements include the additional treatment of stormwater prior to discharge.

Economic Stimulus and Funding Required for Completion

According to a feasibility study dated September 2002, it is estimated that the completed facility would create 13 jobs within the community of Hoonah and generate over one million dollars in expenditures by vessel owners. These expenditures would create approximately \$55,000 in sales taxes to the City. The City of Hoonah requires additional funding to complete the work yard necessary to operate the 220-ton Marine Travelift safely and to install the environmental improvements required to meet Federal and State standards. To date, \$6.26 million has been invested in the development of a Marine Travelift, the haul out pier and 2.7 acres of intertidal fill. However, the facility cannot operate until Phase III is completed. As detailed on the attached Site Plan, Sheet C2.01 and the Preliminary Engineer's Estimate dated March 20, 2009, the project requires approximately **\$2.76 million** of additional funds to complete Phase III and become operational. The project is "shovel ready" as the design is complete and all Federal and State environmental permits are in hand.

Many community shipyards throughout Alaska are not meeting water quality standards. The City of Hoonah is at the forefront of this problem and desires that the Hoonah Marine Industrial Center become part of the solution by developing the project into a first class facility that meets all Federal and State standards.

**HOONAH MARINE INDUSTRIAL CENTER
PHASE III**

PRELIMINARY ENGINEER'S ESTIMATE

**Prepared By: PND Engineers, Inc. on March 20, 2009
PND Project 052038.08**

Item	Item Description	Units	Quantity	Unit Cost	Amount
1505.1	Mobilization	LS	All Req'd	10%	\$89,150
2204.1	Portable Steel Shield	LF	400	\$7.50	\$3,000
2204.2	Base Course, Grading C-1	CY	4,500	\$60	\$270,000
2401.1	8-Inch DIP, Sanitary Sewer Pipe	LF	700	\$80	\$56,000
2402.1	Sanitary Sewer Manhole, Type I	EA	4	\$4,000	\$16,000
2402.2	Sanitary Sewer Cleanout	EA	1	\$1,500	\$1,500
2402.3	Connect to Existing System	EA	1	\$1,500	\$1,500
2501.1	18-Inch Pipe Culvert	LF	70	\$50	\$3,500
2502.1	Oil/Water Separator	EA	3	\$15,000	\$45,000
2502.2	Wash Water Vault	LS	All Req'd	\$35,000	\$35,000
2502.3	Catch Basin Adjustment	EA	8	\$1,500	\$12,000
2601.1	6-Inch DIP Water Pipe	LF	1,350	\$70	\$94,500
2601.2	Water Equipment	LS	All Req'd	\$20,000	\$20,000
2602.1	6-Inch Gate Valve	EA	2	\$1,500	\$3,000
2603.1	Fire Hydrant	EA	1	\$7,500	\$7,500
2603.2	Post Hydrant	EA	7	\$3,000	\$21,000
2605.1	2-Inch Water Service	EA	1	\$1,000	\$1,000
2702.1	Construction Surveying	LS	All Req'd	\$30,000	\$30,000
2707.1	Chain Link Fence	LF	900	\$90	\$81,000
2707.2	16' Swing Gate	EA	4	\$2,000	\$8,000
2801.1	6-Inch Thick, Concrete Pavement at Highway Crossing	LS	All Req'd	\$20,000	\$20,000
2801.2	ACP Repair	LS	All Req'd	\$150,000	\$150,000
3302.1	Concrete Area Drain	EA	5	\$3,000	\$15,000
3305.2	CIP Concrete Wash Down Pad	LS	All Req'd	\$335,000	\$335,000
5120.1	Steel Pipe Bollard	EA	10	\$500	\$5,000
11000.1	Boat Stands & Misc Yard Equipment	LS	All Req'd	\$100,000	\$100,000
11000.2	Heated Pressure Washer	EA	2	\$5,000	\$10,000
13130.1	Wash Down Pad Support Building	LS	All Req'd	\$250,000	\$250,000
16000.1	High Mast Lighting & Electrical	LS	All Req'd	\$400,000	\$400,000
16001.2	Support Building Back-Up Generator	LS	All Req'd	\$50,000	\$50,000
ESTIMATED CONSTRUCTION BID PRICE					\$2,133,650
CONTINGENCY (10%)					\$213,365
CONTRACT ADMINISTRATION & CONSTRUCTION INSPECTION (10%)					\$213,365
FINAL DESIGN AND CONTRACT DOCUMENTS					\$198,823
TOTAL RECOMMENDED PROJECT BUDGET					\$2,759,203



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ESTIMATED CONSTRUCTION BID PRICE					\$2,133,650
CONTINGENCY (10%)					\$213,365
CONTRACT ADMINISTRATION & CONSTRUCTION INSPECTION (10%)					\$213,365
FINAL DESIGN AND CONTRACT DOCUMENTS					\$198,823
TOTAL RECOMMENDED PROJECT BUDGET					\$2,759,203



B. Resolution No. 10-01-01: A resolution adopting the City of Hoonah Multi-Hazard Mitigation Plan.

M/S S. Brown, K. Greenewald, to approve Resolution No. 10-01-01.

Roll call vote: S. Brown – yes, A. Fisher – yes, K. Greenewald – yes, R. Hill – yes, J. Skaflestad – yes

Motion passed. 5 yes 0 no

X. UNFINISHED BUSINESS

A. Land Purchase Request by William Tonsgard: Lot 6 Airport Quarry Expansion and Boundary Concept

Mayor Skaflestad stated the subdivision name pertaining to the subject lot would be changed and recorded as Coho Creek Subdivision. The Mayor also stated Mr. Tonsgard wants to exchange road building and rock materials for this lot and the already approved purchase of lot 5. Councilmember Greenewald stated he would like to be provided with a cost estimate to build the road, as justification to sell the lot to Mr. Tonsgard.

M/S S. Brown, R. Hill, to accept the purchase request, allow admin to work out the details

Roll call vote: A. Fisher – yes, K. Greenewald – yes, R. Hill – yes, J. Skaflestad – yes, S. Brown – yes

Motion passed. 5 yes 0 no

B. Termination of Lease Agreement for Commercial Lot 5, Hoonah Harbor Subdivision II
City Administrator Richards explained the history of lease and timeline of circumstances leading to termination of lease. He stated specific covenants of the agreement had been violated and recommends termination on the grounds of noncompliance.

M/S K. Greenewald, R. Hill, to terminate the lease agreement.

Roll call vote: A. Fisher – yes, K. Greenewald – yes, R. Hill – yes, J. Skaflestad – yes, S. Brown – yes,

Motion passed. 5 yes 0 no

XI. NEW BUSINESS

A. FY 2011 Capital Improvement Projects List

M/S S. Brown, A. Fisher, to accept the workshop recommendation for prioritization of the FY 2011 Capital Improvement Projects List.

Committee recommendation: to prioritize the FY 11 CIP list as follows:

1. Phase 3- Hoonah Marine Industrial Center
2. Raw Water Transmission Line Replacement
3. Hydroelectric Power and Road Access to Pelican
4. Kéidladee Park Project
5. Expansion and Upgrade of Harbor
6. Hydroelectric Project (AEA/IPEC)
7. Skiff Launch Ramp & Floats
8. Multi-Service Building Feasibility Study and Design
9. Ice House
10. Fisherman's Cooperative Cold Storage Building

Roll call vote: K. Greenewald – yes, R. Hill – yes, J. Skaflestad – yes, S. Brown – yes, A. Fisher – yes

Motion passed. 5 yes 0 no

B. EPA's Multi-Sector General Permit – Stormwater Pollution Prevention Plan –Hoonah Marine Industrial Center

M/S S. Brown, A. Fisher, to accept workshop recommendation to approve of the permitting application process at the cost of \$14,700.

Roll call vote: R. Hill – yes, J. Skaflestad – yes, A. Fisher – yes, K. Greenewald – yes, S. Brown – yes

Motion passed. 5 yes 0 no

C. New Hoonah SEARHC Clinic



WARDS COVE HOLDINGS, LLC

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P.O. BOX 5030

SEATTLE, WA 98105-0030

PHONE (206) 323-3200

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February 5, 2010

To Whom It May Concern:

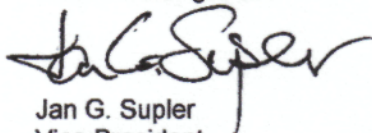
This letter is in support of the City of Hoonah's efforts to secure funding for the Hoonah Marine Industrial Center-Phase 3.

We believe this project will result in an increase in economic activity to the City of Hoonah, which is crucial for the long term growth of this community. We believe that the jobs generated by vessel haul-out, boat storage, vessel repair and maintenance will provide needed careers for local citizens for years to come. This economic activity will provide opportunities for local businesses to expand and increased employment in marine related jobs such as; vessel repair and maintenance, fishing, fish processing, long-shoring, freight handling, warehousing and numerous other trades.

The vision of Hoonah as a hub for marine vessel haul-out, fish processing, retail operations, medical care and ferry service for northern Chichagof Island and surrounding areas is becoming more of a reality every day.

We support Hoonah Mayor Alf "Windy" Skaflestad and the Hoonah City Council in their continuing efforts to complete this vital marine project for the community of Hoonah.

Very truly yours,
Wards Holdings. LLC



Jan G. Supler
Vice President